

## DEPARTMENT OF INSURANCE

December 13, 2007

## Bulletin 159

## Patient's Compensation Fund – Surcharge Rates for Hospitals and Physicians

This bulletin is directed to all health care providers electing to be qualified under Indiana's Medical Malpractice Act ([IC 34-18-1-1](#) et seq.) and to insurers that provide coverage to those health care providers.

Pursuant to [IC 34-18-5-2](#), the Commissioner of the Department of Insurance in his capacity as administrator of the Patient's Compensation Fund hereby notifies physicians and hospitals of the following surcharge for qualification under the Medical Malpractice Act. The rates, effective for coverage beginning **March 1, 2008**, reflect a 19.1 percent decrease for physicians and a 1.3 percent decrease for hospitals.

## PHYSICIANS

The percentage increase to the physician rates is the same for each specialty class. A complete list of physician specialty class codes is published at [760 IAC 1-60](#).

| CLASS | ANNUAL RATE |
|-------|-------------|
| 0     | \$2,426     |
| 1     | 3,234       |
| 2     | 4,528       |
| 3     | 5,821       |
| 4     | 7,277       |
| 5     | 9,702       |
| 6     | 14,553      |
| 7     | 22,638      |
| 8     | 27,489      |

## HOSPITALS

The surcharge for a hospital is calculated using the attached worksheet. The completed worksheet shall be submitted to the Department along with the surcharge payment.

## INDIANA DEPARTMENT OF INSURANCE

James Atterholt, Commissioner

## HOSPITAL EXPOSURE WORKSHEET FOR SURCHARGE CALCULATION

Name of Hospital: \_\_\_\_\_

License No: \_\_\_\_\_

Attach a list of the following:

- (1) All facilities and/or services operated under the hospital license, as identified on the Department of Health Application for License to Operate a Hospital;
- (2) All assumed business names used by the hospital;
- (3) All employed physicians included in this coverage along with their specialty class code and surcharge computation.

Any entity, person, or activity not identified in this surcharge worksheet may not be included in the hospital's coverage with the Patient's Compensation Fund.

| CATEGORY          | EXPOSURE                                 | MANUAL | TOTAL                           |
|-------------------|--|--------|---------------------------------|
| Provide # of Beds |  |        | Category x<br>Manual =<br>Total |
|                   | Hospital (Acute care and Intensive Care) | 848.00 |                                 |
|                   | Mental Health/Rehabilitation             | 424.00 |                                 |

|   |   |                                |  |
|---|---|--------------------------------|--|
|   | Extended Care/Intermediate Care/Residential | 42.00                          |  |
|   | Nursing Home/Critical Extended Care         | 424.00                         |  |
|   | Health Institution/Assisted Living/Other    | 170.00                         |  |
|   | Bassinets                                   | 848.00                         |  |
| # of Visits (in 100s)                       |   |                                |  |
|   | Emergency Room                              | 84.80                          |  |
|   | Clinics/Others                              | 42.40                          |  |
|   | Mental Health/Rehabilitation                | 21.20                          |  |
|   | Health Institution                          | 16.96                          |  |
|   | Home Health Care                            | 42.40                          |  |
| Provide # of Surgeries/<br>Births (in 100s) |   |                                |  |
|   | Births                                      | 3,392.00                       |  |
|   | Outpatient Surgeries                        | 84.80                          |  |
|   | Inpatient Surgeries                         | 1,696.00                       |  |
|   |   | <b>SUBTOTAL(A)</b>             |  |
|   |   |                                |  |
|   | Employed Physicians                         | <b>SUBTOTAL (B)</b>            |  |
|   |   |                                |  |
|   |   | <b>Total of A and B</b>        |  |
|   | Lack of Risk Management Program             | 10% Penalty × total of A and B |  |
|   | Hospital with > 500 beds                    | 3% multiplier of total A and B |  |
|   |   | <b>TOTAL DUE</b>               |  |

**\*Employed Physicians Sharing in Limits**

The percentages shown beside the number of hours the discount applied to the base rate.

| # | Class 0        | Rate                             | Total |
|---|----------------|----------------------------------|-------|
|   | Full-Time      | 2,426                            | 0.00  |
|   | 67% Teaching   | 800.58                           | 0.00  |
|   | 0-12 hrs. 75%  | 606.54                           | 0.00  |
|   | 13-24 hrs. 50% | 1,213                            | 0.00  |
|   | 25-30 hrs. 25% | 1,819.50                         | 0.00  |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |       |
|   | Total          |                                  | 0.00  |

| # | Class 1        |                                  |      |
|---|----------------|----------------------------------|------|
|   | Full-Time      | 3,234                            | 0.00 |
|   | 67% Teaching   | 1,067.22                         | 0.00 |
|   | 0-12 hrs. 75%  | 808.5                            | 0.00 |
|   | 13-24 hrs. 50% | 1,617                            | 0.00 |
|   | 25-30 hrs. 25% | 2,425.50                         | 0.00 |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |      |
|   | Total          |                                  | 0.00 |

| # | Class 2        |                                  |      |
|---|----------------|----------------------------------|------|
|   | Full-Time      | 4,528                            | 0.00 |
|   | 67% Teaching   | 1,494.24                         | 0.00 |
|   | 0-12 hrs. 75%  | 1,132                            | 0.00 |
|   | 13-24 hrs. 50% | 2,264                            | 0.00 |
|   | 25-30 hrs. 25% | 3,396                            | 0.00 |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |      |
|   | Total          |                                  | 0.00 |

| # | Class 3        |                                  |      |
|---|----------------|----------------------------------|------|
|   | Full-Time      | 5,821                            | 0.00 |
|   | 67% Teaching   | 1,920.93                         | 0.00 |
|   | 0-12 hrs. 75%  | 1,455.25                         | 0.00 |
|   | 13-24 hrs. 50% | 2,910.50                         | 0.00 |
|   | 25-30 hrs. 25% | 4,365.75                         | 0.00 |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |      |
|   | Total          |                                  | 0.00 |

| # | Class 4        |                                  |      |
|---|----------------|----------------------------------|------|
|   | Full-Time      | 7,277                            | 0.00 |
|   | 67% Teaching   | 2,401.41                         | 0.00 |
|   | 0-12 hrs. 75%  | 1,819.25                         | 0.00 |
|   | 13-24 hrs. 50% | 3,638.50                         | 0.00 |
|   | 25-30 hrs. 25% | 5,457.75                         | 0.00 |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |      |
|   | Total          |                                  | 0.00 |

| # | Class 5        |                                  |      |
|---|----------------|----------------------------------|------|
|   | Full-Time      | 9,702                            | 0.00 |
|   | 67% Teaching   | 3,201.66                         | 0.00 |
|   | 0-12 hrs. 75%  | 2,425.50                         | 0.00 |
|   | 13-24 hrs. 50% | 4,851                            | 0.00 |
|   | 25-30 hrs. 25% | 7,276.50                         | 0.00 |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |      |
|   | Total          |                                  | 0.00 |

| # | Class 6        |                                  |      |
|---|----------------|----------------------------------|------|
|   | Full-Time      | 14,553                           | 0.00 |
|   | 67% Teaching   | 4,802.49                         | 0.00 |
|   | 0-12 hrs. 75%  | 3,638.25                         | 0.00 |
|   | 13-24 hrs. 50% | 7,276.50                         | 0.00 |
|   | 25-30 hrs. 25% | 10,914.75                        | 0.00 |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |      |
|   | Total          |                                  | 0.00 |

| # | Class 7        |                                  |      |
|---|----------------|----------------------------------|------|
|   | Full-Time      | 22,638                           | 0.00 |
|   | 67% Teaching   | 7,470.54                         | 0.00 |
|   | 0-12 hrs. 75%  | 5,659.50                         | 0.00 |
|   | 13-24 hrs. 50% | 11,319                           | 0.00 |
|   | 25-30 hrs. 25% | 16,978.50                        | 0.00 |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |      |
|   | Total          |                                  | 0.00 |

| # | Class 8        |                                  |      |
|---|----------------|----------------------------------|------|
|   | Full-Time      | 27,489                           | 0.00 |
|   | 67% Teaching   | 9,071.37                         | 0.00 |
|   | 0-12 hrs. 75%  | 6,872.25                         | 0.00 |
|   | 13-24 hrs. 50% | 13,744.50                        | 0.00 |
|   | 25-30 hrs. 25% | 20,616.75                        | 0.00 |
|   | Fellowship     | See <a href="#">760 IAC 1-60</a> |      |
|   | Total          |                                  | 0.00 |

**Definitions:**

Hospital bed - licensed hospital beds usually on a short-term basis for patients who are need of acute medical treatment and skilled nursing care 24 hours a day (Intensive diagnostic and invasive treatment for acute illness).

Mental Health/Mental and Physical Acute Rehab bed - Care, diagnosis, and treatment for acute psychiatric, emotionally challenged, and physical handicapped patients needing 24 hour supervision, assistance, and treatment.

Extended Care/Intermediate/Residential bed - nonacute occasional incidental medical and emergency assistance to residents living independently in retirement apartments and communities. Facilities provided with security and emergency call boxes. Some contact services are available to residents.

Nursing Home/Critical Extended Care bed - A step-down from acute medical care for patients still needing 24 hour nursing care usually for an extended or long-term basis. Skilled care services needed such as medication administration, tube feeding, injections, catheterizations, and other procedures ordered by a physician.

Health Institution/Assisted Living/Other bed - Subacute minor health care and related personal services to assist residents on an ongoing and regular basis. Minor nursing care and assistance in such activities as laundry, meal preparations, bathing, and social functions.

\*Employed physician - A physician is considered an employee for PCF purposes if the hospital withholds and pays Social Security and Medicare taxes and pays unemployment tax on wages paid to the employee. If a physician is treated as an independent contractor for tax purposes, then he or she cannot be considered an employee for PCF purposes.

Visit - The total number of visits to any covered facilities by outpatients (patients not receiving bed and board services) during the policy period. The unit of exposure is 'each 100 visits'.

Health Institution - A risk with regular bed and board facilities and laboratory or medical departments but no surgical operating room facilities.

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An [html](#) version of this document.